

EXHIBIT 1

INTRODUCTION

Respondent Terri Williamson (“Respondent Williamson”) has served as a member of the Pleasant Hill City Council for 18-1/2 years, since November 5, 1985. The Committee to Re-elect Terri Williamson (the “Committee”) is the controlled committee of Respondent Williamson. At all times relevant to this matter, Respondent Veronica Paschall (“Respondent Paschall”) was the treasurer of Respondent Committee.

As a city council member, controlled committee and treasurer, Respondents were required under Government Code section 84200, subdivision (a) to file semi-annual campaign statements by January 31 and July 31 of each year. Respondents failed to timely file three semi-annual campaign statements. As a city council member, Respondent Williamson was also required, under Government Code section 87203, to file annual statements of economic interests (“SEI’s”) by April 1 of each year. Respondent Williamson failed to file an annual SEI for 2001 by the April 2, 2002 due date.

For the purposes of this stipulation, Respondents’ violations of the Political Reform Act (the “Act”)¹ are stated as follows:

- COUNT 1: Respondents Terri Williamson, Committee to Re-elect Terri Williamson, and Veronica Paschall failed to file a semi-annual campaign statement, for the reporting period July 1 through December 31, 1999, by the January 31, 2000 due date, in violation of section 84200, subdivision (a) of the Government Code.
- COUNT 2: Respondents Terri Williamson, Committee to Re-elect Terri Williamson, and Veronica Paschall failed to file a semi-annual campaign statement, for the reporting period January 1 through June 30, 2000, by the July 31, 2000 due date, in violation of section 84200, subdivision (a) of the Government Code.
- COUNT 3: Respondents Terri Williamson, Committee to Re-elect Terri Williamson, and Veronica Paschall failed to file a semi-annual campaign statement, for the reporting period July 1 through December 31, 2000, by the January 31, 2001 due date, in violation of section 84200, subdivision (a) of the Government Code.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

COUNT 4: As a member of the Pleasant Hill City Council, Respondent Terri Williamson failed to file a 2001 annual statement of economic interests by the April 2, 2002 due date, in violation of section 87203 of the Government Code.

SUMMARY OF THE LAW

Duty to File Semi-annual Campaign Statements

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures in election campaigns be fully and truthfully disclosed to the public, in order for voters to be fully informed, and improper practices inhibited.

In furtherance of this purpose of disclosure, section 84200, subdivision (a) requires candidates and their controlled committees to file two semi-annual campaign statements each year. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year. Under section 84214, as interpreted by regulation 18404, candidates and their controlled committees may only end their filing obligations by filing a statement of termination.

Duty to File Statements of Economic Interests

Another express purpose of the Act, as set forth in section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided. The Act therefore establishes an economic interests reporting system designed to accomplish this purpose of disclosure.

One feature of the system, found at section 87203, is that each person holding an office listed in section 87200, which includes members of city councils, must file an annual statement of economic interests ("SEI") disclosing investments, interests in real property, and income held or received during the previous year.

Regulation 18723, subdivision (b)(2) provides that members of city councils shall file their annual SEI's no later than April 1st of each year.²

Treasurer Liability

Under section 81004, subdivision (b), section 84100, and regulation 18427, subdivision (c), it is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly and severally liable, along with the

² Under the provisions of regulation 18116, if April 1st falls on a Saturday, Sunday, or official state holiday, the filing deadline is extended to the next regular business day.

committee, for any reporting violations committed by the committee. (Sections 83116.5 and 91006.)

SUMMARY OF THE FACTS

COUNT 1

Respondents were required by section 84200, subdivision (a) to file a semi-annual campaign statement by January 31, 2000, disclosing campaign activity during the period July 1 through December 31, 1999.

On January 11, 2000, City Clerk Doris P. Nilsen sent a memorandum to members of the city council, including Respondent Williamson, stating that the campaign disclosure statement for the last half of calendar year 1999 needed to be filed by January 31, 2000. This memorandum also included two blank campaign statements. In addition, on January 11, 2000, Deputy City Clerk Linda Stehr sent another memorandum specifically to Respondent Williamson, reminding her that the campaign statement for the reporting period July 1 through December 31, 1999, needed to be filed. Blank campaign statements were enclosed, along with a copy of the last campaign statement filed to use for reference. Ms. Stehr requested that Respondent Williamson file the missing statement by January 31, 2000.

Respondents failed to file a semi-annual campaign statement for the July 1 through December 31, 1999 reporting period by January 31, 2000.

Between February 23, 2001 and July 20, 2001, the City Clerk's office sent three notices to Respondents regarding the delinquent filing of the semi-annual campaign statement for the period July 1 through December 31, 1999. When a campaign statement was not filed in response to her written notices, the City Clerk referred the matter to the Enforcement Division of the Fair Political Practices Commission (the "Commission"). Enforcement Division staff contacted Respondent Williamson by telephone on August 7, 2001, and again on November 13, 2001, informing her of the requirement to file the delinquent semi-annual campaign statement.

On November 16, 2001, Respondents filed the semi-annual campaign statement for the reporting period July 1 through December 31, 1999. The campaign statement disclosed that Respondents received no contributions and made \$226.00 in expenditures during the reporting period.

Despite numerous reminders, Respondents failed to file a semi-annual campaign statement for the reporting period July 1 through December 31, 1999, by the January 31, 2000 due date, in violation of section 84200, subdivision (a).

COUNT 2

Respondents were required by section 84200, subdivision (a) to file a semi-annual campaign statement by July 31, 2000, disclosing campaign activity during the period January 1 through June 30, 2000.

On July 11, 2000, City Clerk Nilsen sent a memorandum to members of the city council, including Respondent Williamson, stating that the campaign disclosure statement for the first half of calendar year 2000 needed to be filed by July 31, 2000. This memorandum also included blank campaign statements. On July 28, 2000, City Clerk Nilsen sent another memorandum to all officeholders, candidates and committees, including Respondents, reminding that the campaign statement for the first half of calendar year 2000 needed to be filed by July 31, 2000.

Respondents failed to file a semi-annual campaign statement for the January 1 through June 30, 2000 reporting period by July 31, 2000.

Between February 23, 2001 and July 20, 2001, the City Clerk's office sent three notices to Respondents regarding the delinquent filing of the semi-annual campaign statement for the period January 1 through June 30, 2000. When a campaign statement was not filed in response to her written notices, the City Clerk referred the matter to the Enforcement Division of the Commission. Enforcement Division staff contacted Respondent Williamson by telephone on August 7, 2001, and again on November 13, 2001, informing her of the requirement to file the delinquent semi-annual campaign statement.

On November 16, 2001, Respondents filed the semi-annual campaign statement for the reporting period January 1 through June 30, 2000. The campaign statement disclosed that Respondents received no contributions and made no expenditures during the reporting period.

Despite numerous reminders, Respondents failed to file a semi-annual campaign statement for the reporting period January 1 through June 30, 2000 by the July 31, 2000 due date, in violation of section 84200, subdivision (a).

COUNT 3

Respondents were required by section 84200, subdivision (a) to file a semi-annual campaign statement by January 31, 2001, disclosing campaign activity during the period July 1 through December 31, 2000.

On January 5, 2001, City Clerk Nilsen sent a memorandum to members of the city council, including Respondent Williamson, stating that the campaign statement for the last half of calendar year 2000 needed to be filed by January 31, 2001.

Respondents failed to file a semi-annual campaign statement for the July 1 through December 31, 2000 reporting period by January 31, 2001.

Between February 23, 2001 and July 20, 2001, the City Clerk's office sent three notices to Respondents regarding the delinquent filing of the semi-annual campaign statement for the period July 1 through December 31, 2000. When a campaign statement was not filed in response to her written notices, the City Clerk referred the matter to the Enforcement Division of the Commission. Enforcement Division staff contacted Respondent Williamson by telephone on

August 7, 2001, and again on November 13, 2001, informing her of the requirement to file the delinquent semi-annual campaign statement.

On November 16, 2001, Respondents filed the semi-annual campaign statement for the reporting period July 1 through December 31, 2000. The campaign statement disclosed that Respondents received no contributions and made no expenditures during the reporting period.

Despite numerous reminders, Respondents failed to file a semi-annual campaign disclosure statement by January 31, 2001 for the reporting period July 1 through December 31, 2000, in violation of section 84200, subdivision (a).

COUNT 4

As a member of the city council, Respondent Williamson is required to file an annual SEI, disclosing her reportable economic interests held during the preceding calendar year. Respondent Williamson was required to file her annual SEI for the year 2001 on April 2, 2002.

On March 1, 2002, City Clerk Nilsen sent a memorandum to Respondent Williamson, requesting that she file her 2001 annual SEI by April 2, 2002. On March 29, 2002, Ms. Nilsen sent a second memorandum to Respondent Williamson, reminding her that the 2001 annual SEI would be due April 2, 2002.

Respondent failed to file her 2001 annual SEI by April 2, 2002.

On April 3, 2002, the City Clerk sent a written notice to Respondent Williamson, advising that her 2001 annual SEI was delinquent, and that the matter would be referred to the Commission for enforcement action.

On April 23, 2002, and again on June 3, 2002, the Commission's Technical Assistance Division sent written notices to Respondent Williamson regarding the late filing of her 2001 annual SEI.

On July 19, 2002, Respondent Williamson filed her annual SEI with the Commission. The SEI disclosed that Respondent Williamson had failed to disclose two reportable economic interests, to wit, a source of income from Home Depot and a private loan from William and Milly Hill in the amount of \$10,000 or more.

Despite prior notices, Respondent Williamson failed to file her 2001 annual SEI by April 2, 2002, in violation of section 87203.

Respondent Williamson had previously been referred to the Commission for the delinquent filing of her 1999 and 2000 annual SEI's, which were eventually filed on August 14, 2001, over eighteen and four months late, respectively.

CONCLUSION

This matter consists of three counts of violating section 84200, subdivision (a), which carry a maximum administrative penalty of Nine Thousand Dollars (\$9,000)³, and one count of violating section 87203, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000), for a total maximum administrative penalty of Fourteen Thousand Dollars (\$14,000).

Respondent Williamson is a long-time officeholder and well aware of her filing requirements.

With respect to Counts 1-3, Respondent Williamson did not timely file campaign statements for three consecutive reporting periods, despite receiving numerous written notices from the City Clerk's office and Commission staff. However, when the campaign statements were ultimately filed, they reflected minimal campaign activity, thereby lessening any public harm that may have resulted from the late filings. As such, an administrative penalty of \$750 for each violation, for a total of \$2,250, is appropriate for these violations.

With respect to Count 4, Respondent Williamson did not file her 2001 annual SEI until after being contacted by Commission staff. Under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an SEI non-filer who does not file a delinquent SEI until after being contacted by Commission staff is between \$200-300. However, this case was removed from the SEI Expedited Procedures program due to Respondent Williamson's additional filing violations. The administrative penalty for SEI filing violations resolved outside of the SEI Expedited Procedures program historically has been determined on a case-by-case basis considering the aggravating and mitigating factors present. The late 2001 annual SEI filing is aggravated by the fact that Respondent Williamson had two reportable economic interests that were not timely disclosed. Therefore, a higher penalty of \$750, which reflects the aggravating and mitigating factors of the case, is appropriate for this violation.

The facts of this case, including the above aggravating and mitigating factors, justify imposition of the agreed-upon total administrative penalty in the amount of Three Thousand Dollars (\$3,000).

³ Counts 1 and 2 carry a maximum administrative penalty of \$2,000 each. Count 3, which occurred after January 1, 2001, carries a maximum administrative penalty of \$5,000.